

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In re:

**JOINTLY ADMINISTERED UNDER
CASE NO. 08-45257**

PETTERS COMPANY, INC., ET AL,

Court File No. 08-45257

Debtors.

Court File Nos:

(includes:

Petters Group Worldwide, LLC;

08-45258 (GFK)

PC Funding, LLC;

08-45326 (GFK)

Thousand Lakes, LLC;

08-45327 (GFK)

SPF Funding, LLC;

08-45328 (GFK)

PL Ltd., Inc.

08-45329 (GFK)

Edge One LLC;

08-45330 (GFK)

MGC Finance, Inc.;

08-45331 (GFK)

PAC Funding, LLC;

08-45371 (GFK)

Palm Beach Finance Holdings, Inc.)

08-45392 (GFK)

Chapter 11 Cases
Judge Gregory F. Kishel

ORDER ON FIRST OMNIBUS HEARING ON TRUSTEE'S LITIGATION

At St. Paul, Minnesota
April 19, 2011.

These Chapter 11 cases and their docket of trustee-commenced adversary proceedings came before the Court on April 5, 2011, for a First Omnibus Pretrial Hearing pursuant to Term H.(i) of the order on case management procedures entered on January 21, 2011 [Dkt. No. 961]. Appearances were noted in the record. The Trustee's counsel gave a report on the status of the effort toward mediation under Term D. of the order on case management procedures. The Court and counsel addressed various issues on the treatment of defendants' filed motions for dismissal and on the Trustee's pending motion for consolidation of the presentation of issues raised by those motions. On the record made at the First Omnibus Pretrial Hearing,

NOTICE OF ELECTRONIC ENTRY AND FILING ORDER OR JUDGMENT Filed and Docket Entry made on 04/19/2011 Lori Vosejpka, Clerk, By JRB, Deputy Clerk
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IT IS HEREBY ORDERED:

1. *Pending Motions for Dismissal.* Toward completing the written submissions on motions for dismissal filed thus far:

- a. the Trustee shall file his responses by 5:00 p.m. on April 22, 2011; and
- b. all defendants shall file their replies by 5:00 p.m. on May 13, 2011.

2. *Motion for Procedural Consolidation in Adversary Proceeding Litigation.* The hearing on the Trustee's pending motion to coordinate and consolidate the treatment of issues common to the defense of multiple adversary proceedings [Dkt. No. 1072] is continued to April 27, 2011, at 1:30 p.m. For that hearing, counsel shall be prepared to address:

- a. The groupings of specific adversary proceedings, by name and file number, for the presentation of consolidated issues at single hearings devoted to a particular issue or issues.
- b. The possible separation of other, smaller groupings of adversary proceedings if the parties have raised claims or defenses that are truly, materially distinguishable from those presented in the larger groupings, so as to merit separate briefing, argument, and judicial treatment in decision.
- c. The scheduling of specific issues among three successive half-day court hearings to be set for late May through early June, 2011, with each such hearing contemplated as equal in length of time.
- d. The text for a scheduling order that would comprehensibly describe the way in which the motions for dismissal would proceed to hearing by designated blocks.

The Court will expect defendants' counsel and their clients to avoid unnecessary complication and delay in the presentation of these issues, even as the Court will try to meet any reasonable request for scheduling and presentation to protect truly distinctive positions on the merits in the Trustee's litigation.

3. *Motion for Substantive Consolidation.* The hearing on the Trustee's pending motion for the substantive consolidation of the estates of certain of the Debtors [Dkt. No. 1099] will

go forward as scheduled on *April 20, 2011 at 1:30 p.m.* That hearing will be treated as a preliminary hearing, for the airing of issues of fact and law; the determination of the need, if any, for discovery; and the setting of a schedule for final submission to the Court.

BY THE COURT:

/s/ Gregory F. Kishel

GREGORY F. KISHEL
CHIEF UNITED STATES BANKRUPTCY JUDGE

United States Bankruptcy Court
District of Minnesota

Kelley, Trustee,
Plaintiff

Adv. Proc. No. 10-04396-GFK

Westford Special Situations Master Fund,,
Defendant

CERTIFICATE OF NOTICE

District/off: 0864-4

User: admin
Form ID: pdfadi

Page 1 of 2
Total Noticed: 30

Date Rcvd: Apr 25, 2011

Notice by first class mail was sent to the following persons/entities by the Bankruptcy Noticing Center on
Apr 27, 2011.

dft Capital Strategies Fund Ltd., HWR Services Limited, Craigmuir Chambers, PO Box 71,
Road Town, Tortola, BRITISH VIRGIN ISLANDS
pla +Douglas A. Kelley, Trustee, Kelley, Wolter & Scott, P.A., Centre Village Offices,
431 S 7th St, Ste 2530, Minneapolis, MN 55415-1855
dft Epsilon Global Active Value Fund I-B, Ltd, HWR Services Limited, Craigmuir Chambers,
PO Box 71, Road Town, Tortola, BRITISH VIRGIN ISLANDS
dft +Epsilon Global Active Value Fund II, L.P., National Registered Agents, 160 Greentree Drive,
Suite 101, Dover, DE 19904-7620
dft Epsilon Global Active Value Fund II, Ltd, Nemours Chambers, Qwomar Complex, 4th Floor,
P.O. Box 3170, Road Town, Tortola, BRITISH VIRGIN ISLANDS
dft +Epsilon Global Active Value Fund II-B, L, National Registered Agents, 160 Greentree Drive,
Suite 101, Dover, DE 19904-7620
dft Epsilon Global Active Value Fund II-B, L, HWR Services Limited, Craigmuir Chambers,
PO Box 71, Road Town, Tortola, BRITISH VIRGIN ISLANDS
dft +Epsilon Global Active Value Fund II-G, L, National Registered Agents, 160 Greentree Drive,
Suite 101, Dover, DE 19904-7620
dft Epsilon Global Active Value Fund II-G, L, HWR Services Limited, Craigmuir Chambers,
PO Box 71, Road Town, Tortola, BRITISH VIRGIN ISLANDS
dft Epsilon Global Active Value Fund III Ltd, HWR Services Limited, Craigmuir Chambers,
PO Box 71, Road Town, Tortola, BRITISH VIRGIN ISLANDS
dft +Epsilon Global Active Value Fund III Ltd, c/o Steve Goran Stevanovich, 7521 Isla Verde Way,
Delray Beach, FL 33446-4346
dft +Epsilon Global Active Value Fund, L.P., National Registered Agents, 160 Greentree Drive,
Suite 101, Dover, DE 19904-7620
dft Epsilon Global Active Value Fund, Ltd., HWR Services Limited, Craigmuir Chambers, PO Box 71,
Road Town, Tortola, BRITISH VIRGIN ISLANDS
dft Epsilon Global Asset Management, Ltd., PO Box 309, Ugland House, South Church Street,
George Town, Grand Cayman, KY1-1104, CAYMAN ISLANDS
dft Epsilon Global Master Fund II, L.P., PO Box 309, Ugland House, South Church Street,
George Town, Grand Cayman, KY1-1104, CAYMAN ISLANDS
dft Epsilon Global Master Fund III - Structu, HWR Services Limited, Craigmuir Chambers,
PO Box 71, Road Town, Tortola, BRITISH VIRGIN ISLANDS
dft +Epsilon Global Master Fund III - Structu, c/o Steve Goran Stevanovich, 7521 Isla Verde Way,
Delray Beach, FL 33446-4346
dft Epsilon Global Master Fund L.P., PO Box 309, Ugland House, South Church Street, George Town,
Grand Cayman, KY1-1104, CAYMAN ISLANDS
dft +Epsilon Investment Management, LLC, National Registered Agents, 160 Greentree Drive,
Suite 101, Dover, DE 19904-7620
dft Epsilon Investment Management, LLC, First Canadian Place, 100 King Street West, Suite 5715,
Toronto M5X 1 A9, Ontario, CANADA
dft Stafford Towne, Ltd, c/o HWR Services Limited, Craigmuir Chambers, PO Box 71,
Road Town, Tortola, BRITISH VIRGIN ISLANDS
dft +Stafford Towne, Ltd., 7280 W. Palmetto Park Road, Boca Raton, FL 33433-3422
dft +Steve Goran Stevanovich, 7521 Isla Verde Way, Delray Beach, FL 33446-4346
dft +Westford Asset Management, LLC, National Registered Agents, 160 Greentree Drive, Suite 101,
Dover, DE 19904-7620
dft Westford Asset Management, LLC, First Canadian Place, 100 King Street West, Suite 5715,
Toronto M5X 1 A9, Ontario, CANADA
dft Westford Global Asset Management, Ltd., PO Box 309, Ugland House, South Church Street,
George Town, Grand Cayman, KY1-1104, CAYMAN ISLANDS
dft +Westford Special Situations Fund L.P., National Registered Agents, 160 Greentree Drive,
Suite 101, Dover, DE 19904-7620
dft Westford Special Situations Fund Ltd., HWR Services Limited, Craigmuir Chambers, PO Box 71,
Road Town, Tortola, BRITISH VIRGIN ISLANDS
dft Westford Special Situations Master Fund,, Maples and Calder, PO Box 309, Ugland House,
South Church Street, Grand Cayman, KY1-1104, CAYMAN ISLANDS

Notice by electronic transmission was sent to the following persons/entities by the Bankruptcy Noticing Center.
ust +E-mail/Text: ustpregion12.mn.ecf@usdoj.gov Apr 25 2011 21:30:58 US Trustee,
1015 US Courthouse, 300 S 4th St, Minneapolis, MN 55415-3070

TOTAL: 1

***** BYPASSED RECIPIENTS (undeliverable, * duplicate) *****

ust usta
dft Epsilon Global Active Value Fund II, Ltd

TOTALS: 2, * 0, ## 0

Addresses marked '+' were corrected by inserting the ZIP or replacing an incorrect ZIP.
USPS regulations require that automation-compatible mail display the correct ZIP.

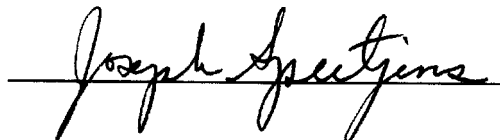
***** BYPASSED RECIPIENTS (continued) *****

I, Joseph Speetjens, declare under the penalty of perjury that I have sent the attached document to the above listed entities in the manner shown, and prepared the Certificate of Notice and that it is true and correct to the best of my information and belief.

Meeting of Creditor Notices only (Official Form 9): Pursuant to Fed. R. Bank. P. 2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.

Date: Apr 27, 2011

Signature:

A handwritten signature in black ink, reading "Joseph Speetjens", written over a horizontal line.